

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Approval of Minutes for
May 3, 2001

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: June 7, 2001

INFORMATION:

PRESENTER(S): Chairperson

Please see the attached minutes of the May 3, 2001 Benefits and Services Committee meeting.

**PROPOSED
MINUTES OF THE
BENEFITS AND SERVICES COMMITTEE MEETING
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
THURSDAY, MAY 3, 2001
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

COMMITTEE MEMBERS PRESENT

Karen Russell, Chairperson

Gary Lynes

Marty Mathiesen

Jay Schenirer

Carolyn Widener

Walter Barnes, representing the State Controller, Kathleen Connell

Curt Robinson, representing the Superintendent of Public Instruction, Delaine Eastin

OTHER BOARD MEMBERS PRESENT

Jennifer DuCray-Morrill, representing State Treasurer, Phil Angelides

George Fenimore

STAFF PRESENT

James D. Mosman, Chief Executive Officer

Michael Carter, DCEO, CBS Branch

Christopher W. Waddell, Chief Counsel

Ronald E. Meador, Senior Staff Counsel

Ed Derman, DCEO, External Affairs and Program Development Branch

Peggy Plett, DCEO, Administration Branch

Lynda Bridges, Chief, Service Retirement Division

Rick Reed, System Actuary

Jan Vine, Executive Assistant

OTHERS PRESENT

Beverly Carlson, CTA

Loretta Toggenburger, UTLA-R

Edna White, CRTA

Susan Goff, CRTA

George Wichman, CTA

Dorothy Moser, CTA & NEA, R

Ann McWherter

Elizabeth Mackenzie, CRTA

Zoe Ann Murray, CRTA

Michael Green, CTA

James Huce, CRTA

Bill Collins, CTA

Al Reyes, UTLA

A quorum being present, Chairperson Russell called the meeting to order at 8:30 a.m.

II. **APPROVAL OF MINUTES OF APRIL 5, 2001 MEETING**

MOTION duly made by Mr. Robinson, seconded by Mr. Lynes, and carried to approve the Minutes of the Benefits and Services Committee meeting of April 5, 2001.

III. **ANNOUNCEMENTS**

There were none.

IV. **OVERVIEW OF APPEAL PROCESS**

Mr. Mealor presented an overview of the Appeal Process to the Committee, primarily for the benefit of the newly-appointed committee members. The overview described the appeal process and role of the Committee when persons challenge benefit-related decisions, and their rights to judicial review.

V. **CONSENT AGENDA**

Ms. Bridges presented two Proposed Administrative Law Judge (ALJ) Decisions for the Committee's consideration. Staff recommended that the Committee support the ALJ's decision to approve the Request for an Exemption from Post-Retirement Earnings Limitation for Robert Quinlan, and to deny the Request for Marion Georges to be designated as the beneficiary of an Option #3 Allowance.

MOTION duly made by Mr. Lynes, seconded by Ms. Widener, and carried to adopt the Proposed ALJ's Decisions as presented.

VI. **ADOPTION OF RATES FOR 2001-02**

Mr. Reed requested approval of the following rates:

A. Contribution Rate for Additional Service Credit: Staff recommended a rate of 16.423 percent.

MOTION duly made by Mr. Mathiesen, seconded by Mr. Lynes, and carried to recommend that the Board adopt a Contribution Rate for Additional Service Credit of 16.423 percent for the 2001-2002 fiscal year, contingent upon the Board's adoption of the Actuarial Valuation for the period ending June 30, 2000.

B. Employer Contribution Rate for Elected Officials of Employee Organizations: Staff recommended a rate of 8.423 percent.

MOTION duly made by Mr. Lynes, seconded by Ms. Widener, and carried to recommend that the Board adopt a Contribution Rate of 8.423 percent for compensated leaves of absence for service as Elected Officials of Employee Organizations during the 2001-2002 fiscal year.

C. Revised Employer Contribution Rate for Reduced Workload Program: Staff recommended a rate of 8.423 percent.

MOTION duly made by Mr. Mathiesen, seconded by Mr. Lynes, and carried to recommend that the Board adopt a change to the existing policy to charge the greater of (1) the Employer Contribution Rate of 8.25 percent and (2) the Normal Cost Rate less the Employee Contribution Rate for participation in the Reduced Workload Program during the 2001-2002 fiscal year. For fiscal year 2001-2002, the rate charged employers under the Reduced Workload Program would be 8.423 percent.

VII. **CLIENT ADVISORY COMMITTEE UPDATE**

Mr. Derman shared the highlights of the May 2, 2001 Client Advisory Committee (CAC) meeting. The CAC members discussed actuarial valuations, litigation and an update on state and federal legislation.

VIII. **WARRANT STUB MESSAGE – JUNE 1, 2001**

Mr. Carter presented this item

IX. **LEVEL OF SERVICE STANDARDS**

Mr. Carter presented this item.

X. **DRAFT AGENDA FOR THE JUNE BENEFITS AND SERVICES COMMITTEE MEETING**

It was agreed that staff would give benefit presentations for the benefit of new Board members beginning with the next Benefits and Services Committee meeting.

XI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements made.

XII. **ADJOURNMENT**

There being no further business to conduct, Chairperson Russell adjourned the meeting at 9:15 a.m.

JAMES D. MOSMAN, Chief Executive Officer
Secretary to the Teachers' Retirement Board

Karen Russell, Chairperson